

**Attached is  
Additional Information  
for  
Agenda Item No. 24**

**Status Report on the Emergency Medical Services (EMS)  
Negotiations with the City of Tallahassee**

**Board of County Commissioners Meeting of Tuesday, June 24, 2003**

**This document distributed: June 20, 2003 at 4:30 PM**

# ***Board of County Commissioners***

## **INTER-OFFICE MEMORANDUM**

**DATE:** June 20, 2003

**TO:** Chairman and Members of the Board

**FROM:** Parwez Alam, County Administrator *PA 6/20*

**SUBJECT:** Additional Information for June 24, 2003 Agenda Item #24

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The purpose of this memorandum is to distribute additional information regarding item #24 of the June 24, 2003 agenda, "Status Report on the Emergency Medical Services (EMS) Negotiations with the City of Tallahassee."

### **City Manager's Memorandum**

On June 18, 2003, the County Administrator was copied on a memorandum from the City Manager to the City Commission regarding the June 12, 2003 negotiation meeting on EMS (Attachment #1). Similar to the information provided in the agenda item, this memorandum simply states the list of issues that the City brought forward during this meeting.

### **City Commission's June 25<sup>th</sup> EMS MSTU Public Hearing**

The City has inserted a termination clause into the EMS Municipal Service Taxing Unit (MSTU) Ordinance by which the City can withdraw their consent of the MSTU Ordinance with written notice to the Board (provided in not less than 18 months prior to the effective date of the termination). The City Commission's June 25, 2003 EMS MSTU public hearing agenda item is included as Attachment #2.

This agenda item also expresses that the City's consent of the MSTU would be contingent upon the expectation that EMS will be enhanced, and the following is stipulated, regardless of who provides the service:

- EMS dispatch should be centralized with Fire Dispatch at the Tallahassee Police Department. This will assist in call-for-service coordination and reduce response times.
- Patient billing services should be improved to provide for better collections.
- An independent audit should be conducted annually.
- Capital equipment will be maintained according to nationally accepted EMS standards.

### **Union Negotiations**

The City Manager's Office has also verbalized that any cost increases generated as a result of union negotiations shall be included as part of the City's "true-up" proposal.

### **Chairman's Option**

The Chairman has requested that the following option be available to the Board during contemplation of this agenda item:

"Any expense item of \$10,000 or greater under the City's proposed full cost recovery/true up provision shall be approved by the County Administrator. Should such item be denied by the County Administrator, the City may appeal the decision to the Leon County Board of County Commissioners at its next regularly scheduled meeting. The \$10,000 expense item threshold may

be periodically modified, as appropriate, at the discretion of the County Administrator. Further, expense items for salary increases of EMS or fire personnel engaged in EMS shall be limited to the salary increases of the City's General Service employees."

This provision has been added to the Financial Implementation Plan presented by the Director of the County's Office of Management and Budget and the City's Director of Management and Administration (Attachment #3).

**County Model Option**

In addition to the options presented in the agenda item, the County could create a County-run EMS Department to provide emergency medical and transport services to the citizens of Leon County. The County-run Department could operate within the specifications of the Consultant's Model and budget.

"Option #7: Direct the County Administrator to create a County-run EMS Department to provide emergency medical and transport services to the citizens of Leon County."

**Attachments:**

1. June 18, 2003 Memo from City Manager
2. June 25, 2003 City Agenda Item
3. Revised Financial Implementation Plan



# MEMORANDUM

**TO:** Mayor and City Commissioners

**FROM:** Anita R. Favors, City Manager

**DATE:** June 18, 2003

**SUBJECT:** EMS Negotiations

As you are aware, on June 12, 2003, we had our first negotiations meeting on Emergency Medical and Transport Services. The meeting began at 9:00 a.m. in the County Administrator's Conference Room. Representatives of the City of Tallahassee in attendance were: Anita Favors, City Manager; Tom Coe, Assistant City Manager; James English, City Attorney; and David Reid, Director of Management and Administration. Representing Leon County were: Parwez Alam, County Administrator; Vincent S. Long, Assistant County Administrator; Alan Rosenzweig, Director of Office of Management and Budget; Cherry Shaw, County Attorney's Office; and Joe Sharp, Director of Health and Human Services.

Prior to the negotiation session, staff reviewed the Consultants' specifications and recommendations and developed a list of issues for discussion with the County based on previously established City Commission directive.

1. The term of the EMS agreement should be concurrent with the current Fire Services Agreement which terminates in 2008. This is important for future negotiations, and operationally it is critical that the Fire Services Agreement and the EMS Agreement be negotiated concurrently if TFD is providing both services.
2. The EMS agreement must be a "full cost recovery" agreement. Any cost incurred by the City in the performance of the agreement shall be fully compensated by the County. We believe that this can be reasonably accomplished in a performance-based agreement that does not, as it has been implied, "give the City an open checkbook". City and County finance staff have in fact met and recommended parameters which, if incorporated into an agreement, would achieve this requirement.

Full cost recovery implementation would involve a mechanism to "true up" City costs. The process would be as follows: Based on City fiscal year of October 1 through September 30, the City submits budget on April 1; the County approves on June 1. There would be an annual true-up done on November 30. Salaries and capital would be agreed to in the budget, so there would be no true-up on these line items.

Automatic reopeners would be for fuel costs, medical technology requirements, federal and state requirements. All other line items (including overtime) would be eligible for true-up – anything greater than 2 or 3% would have to be justified by utilization of a cost of service study. Quarterly budget-to-actual reports would indicate any problem areas and discussion would begin on cause and solutions.

The City would seek a one-year up-front payment from the County to be put into a trust with constraints and parameters for when the City could draw down on this fund. The amount would be total annual operating costs. This could be accomplished in a couple of ways. The County could provide cash for one year up front. This would be placed in a trust for use only for this service. Alternatively, the County could provide the City a bond that could be drawn on only when certain conditions are met. Monthly payments would be made, and the bond would stay in place for the duration of the contract.

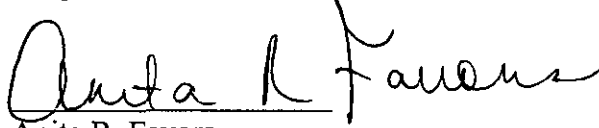
3. The Commission directed that the contract be based on full cost recovery, and staff has identified additional expenditures that were not included in the Consultants' report. They are as follows:
  - a. Insurance: The Consultants have projected \$225,000 in the budget. However, our Risk Manager feels that \$350,000 to \$450,000 is a more realistic cost of service.
  - b. Communications: One \$80,000 FTE position in the Radio Shop to maintain radios and provide technical support for EMS will be needed to put the program into operation, which was not included in the Fire Department estimates.
  - c. Outside Financial Audit: The Consultants' report recommends an annual financial audit, but funding was not provided for the audit. DMA estimates \$25,000 per year will be needed for the audit.
  - d. Volunteer Fire Departments: Currently there are no additional EMS duties planned for the Volunteer Departments. Additional funds would be necessary for the cost of training and supplies if the Volunteer Fire Departments are included in the contract. The cost would be dependent on the level of service provided by the Volunteer Departments.
  - e. The County should provide capital funds for the City's purchase of ambulance vehicles. These vehicles should be purchased at the beginning of the contract.
  - f. Funds were not allocated for the hiring of paramedics above entry level salaries. An additional \$150,000 to \$300,000 or more will be required to address this possibility. Former TMH employees hired by TFD would be required to meet all City screening requirements and serve a one-year probation, consistent with existing City policy.

The total of all the additional costs is at least \$650,000.

4. Vehicle Ownership – The Consultants' report showed capital paid over the first two years at \$1.150 million per year. The City is requesting that the County provide the full amount for vehicles (\$2.3 million) in the first year of the contract. The City would own the vehicles, and there would be a provision to turn over the vehicles to the County should the City no longer provide this service.

In a luncheon meeting with the County Administrator yesterday, we again discussed these issues. Mr. Alam indicated concern with the full cost recovery issue and advised that, although the County desired to continue negotiations, they were also officially speaking with TMH to see if they would be willing to continue providing the service and at what cost. I advised Mr. Alam that the City remains willing to contract to provide the services within the parameters we have consistently outlined to them and that we will wait to hear further from them as to their decision related to our involvement, recognizing that some conclusion must be drawn by June 25, 2003. It is the County's intent to bring a recommendation to the County Commission at their June 24, 2003, meeting.

Respectfully submitted,

  
Anita R. Favors

ARF:slk  
Attachments

# CITY OF TALLAHASSEE

Attachment # 2  
Page 1 of 11

## CITY COMMISSION AGENDA ITEM

<b>ACTION REQUESTED ON:</b>	June 25, 2003
<b>SUBJECT/TITLE:</b>	Public Hearing on Ordinance #03-O-36 Emergency Medical Services Municipal Service Taxing Unit (MSTU)
<b>TARGET ISSUE:</b>	

### STATEMENT OF ISSUE

This agenda item continues the Public Hearing from Commission Meeting held on June 11, 2003. The ordinance, as originally presented is attached. Additionally, an amended ordinance with an eighteen-month termination clause is also attached.

At the meeting, we will also have language for amending the ordinance to withdraw or sunset the consent ordinance.

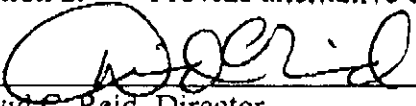
The city's consent to the MSTU is with the expectation that service will be enhanced. Toward that goal, as provided in the consultant's report the following points should be included in the contract for ALS/Transport, regardless of the provider:

- EMS dispatch should be centralized with Fire Dispatch at the Tallahassee Police Department. This will assist in call-for-service coordination and reduce response times.
- Patient billing services should be improved to provide for better collections.
- An independent audit should be conducted annually.
- Capital equipment will be maintained according to nationally accepted EMS standards.

### RECOMMENDED ACTION

**Option 1.** Take Public Hearing and approve Ordinance #03-O-36 as presented, or amend the ordinance as desired.

**Option 2.** Provide alternative direction.

  
\_\_\_\_\_  
David C. Reid, Director  
Dept. of Management and Administration

  
\_\_\_\_\_  
Anita R. Favors  
City Manager

For Information, please contact: David C. Reid (891-8167)

FISCAL IMPACT

ATTACHMENTS/REFERENCES

Agenda Item of June 11, 2003 (*Includes: City of Tallahassee Ordinance and Leon County, Florida Ordinance*)  
City of Tallahassee Ordinance as Amended



## CITY OF TALLAHASSEE

Attachment # 2  
Page 3 of 11CITY COMMISSION AGENDA ITEM

ACTION REQUESTED ON:	June 11, 2003
SUBJECT/TITLE:	Public Hearing on Ordinance #03-O-36 Emergency Medical Services Municipal Service Taxing Unit (MSTU)
TARGET ISSUE:	

STATEMENT OF ISSUE

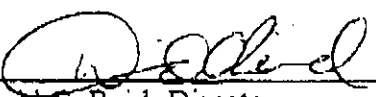
This agenda item allows for a public hearing on Ordinance #03-O-36, stating the city's consent to the inclusion of the incorporated area in the Emergency Medical Services Municipal Service Taxing Unit.

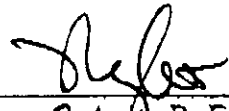
RECOMMENDED ACTION

- Option 1. Take Public Hearing and approve Ordinance #03-O-36 as presented.
- Option 2. Provide alternative direction.

FISCAL IMPACTATTACHMENTS/REFERENCES

City of Tallahassee Ordinance  
Leon County, Florida Ordinance

  
David C. Reid, Director  
Dept. of Management and Administration

  
Anita R. Favors  
City Manager

For Information, please contact: David C. Reid (891-8167)

(C) The City of Tallahassee hereby determines that the inclusion of all of the incorporated area within the boundaries of the City of Tallahassee in the Leon County Emergency Medical Services Municipal Service Taxing Unit is in the best interests of the citizens and residents of the City.

**SECTION 2. CONSENT.** The City Commission hereby consents to the inclusion of all of the incorporated area of the City of Tallahassee in the Leon County Emergency Medical Services Municipal Service Taxing Unit established pursuant to Leon County Ordinance No. \_\_\_\_\_. Such consent shall become effective immediately upon adoption of this Ordinance. Provided, however, such consent shall be subject to the termination provisions in Section 3 hereof.

**SECTION 3. LIMITATION OF THE LEVY OF AD VALOREM TAXES;  
TERMINATION OF CONSENT.**

(A) It is acknowledged that Leon County Ordinance No. \_\_\_\_ has limited the levy of additional ad valorem taxes to a millage rate not to exceed (one-half) ½-mill on real and personal property within the Leon County Emergency Medical Services Municipal Service Taxing Unit.

(B) The consent herein provided shall be subject to the Leon County Board of Commissioners not authorizing a millage rate exceeding a (one-half) ½-mill millage cap for the Emergency Medical Services Municipal Service Taxing Unit.

PASSED AND ADOPTED by the City Commission of the City of Tallahassee,  
Florida on this \_\_\_\_ day of \_\_\_\_\_ 2003.

**CITY OF TALLAHASSEE, FLORIDA**

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Treasurer-Clerk

Approved as to form and legality:

\_\_\_\_\_  
City Attorney

(B) Section 125.01(1)(q), Florida Statutes, provides specific legislative authorization for counties to establish a municipal service taxing unit for any part or all of the unincorporated areas within its boundaries, or within the municipal boundaries of an incorporated area upon consent of the governing body of such municipality, within which may be provided essential facilities and services.

(C) The purpose of this Ordinance is to create a municipal service taxing unit to fund emergency medical services and other associated essential facilities and municipal services within the municipal service taxing unit as generally described in Section 5 of this Ordinance. This Ordinance shall be liberally construed to effect the purposes hereof.

(D) For the purposes of this Ordinance the term "emergency medical services" shall mean the emergency medical services, facilities or equipment described herein eligible to be funded by the Emergency Medical Services Municipal Service Unit for persons in Leon County.

### **SECTION 3. CREATION OF EMERGENCY MEDICAL SERVICES MUNICIPAL SERVICE TAXING UNIT.**

(A) Pursuant to the provisions of section 125.01(1)(q), Florida Statutes, there is hereby created a municipal service taxing unit for that portion of the unincorporated areas of the County and the incorporated area of the City of Tallahassee. Such municipal service taxing unit shall be known as the Emergency Medical Services Municipal Service Taxing Unit.

(B) From time to time the Board may by resolution take any action not inconsistent with this Ordinance to administer, deliver or provide emergency medical services or otherwise implement and advance the efficient and effective delivery of emergency medical services to persons in Leon County.

**SECTION 4. AUTHORIZATION OF AD VALOREM TAXES.** The Board is hereby authorized, in the manner and under the authority provided by section 125.01(1)(q) and (r), Florida Statutes, to levy and collect additional ad valorem taxes at a millage rate not to exceed (one-half) ½-mill upon real and personal property within the

facilities authorized herein as the Board deems reasonable and necessary to initiate and thereafter provide for emergency medical services and facilities.

(C) The Board may set up reserve funds in the taxing unit budget in excess of the estimated expenditures for the ensuing fiscal year for the purpose of creating reasonable reserves.

**SECTION 6. SEVERABILITY.**

Should any provision of this Ordinance be declared by a court of competent jurisdiction to be invalid, the same shall not affect the validity of this Ordinance as a whole, or any part thereof, other than the part declared to be invalid.

**SECTION 7. EFFECTIVE DATE.**

(A) The effectiveness of this Ordinance is conditioned upon the following occurring prior to July 1, 2003;

(1) the City Commission of the City of Tallahassee adopting an ordinance consenting to the inclusion of the incorporated areas of the City within the boundaries of the Emergency Medical Services Municipal Service Taxing Unit; and

(2) the subsequent filing of a certified copy of this Ordinance with the Department of State by the Clerk of the Board.

(B) After enactment by the Board, this Ordinance shall then take effect upon the filing with the Department of State as provided in section 125.66(2), Florida Statutes.

## CITY OF TALLAHASSEE, FLORIDA

## ORDINANCE NO. 03-O-36AA

AN ORDINANCE OF THE CITY OF TALLAHASSEE, FLORIDA, CONSENTING TO THE INCLUSION OF THE INCORPORATED AREA OF THE CITY IN THE LEON COUNTY EMERGENCY MEDICAL SERVICES MUNICIPAL SERVICE TAXING UNIT; PROVIDING FOR TERMINATION OF CONSENT; LIMITING THE MAXIMUM MILLAGE TO BE LEVIED BY THE EMERGENCY MEDICAL SERVICES MUNICIPAL SERVICE TAXING UNIT; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE PEOPLE OF THE CITY OF TALLAHASSEE, FLORIDA:

SECTION 1. FINDINGS. It is hereby ascertained, determined, and declared that:

(A) The Board of County Commissioners of Leon County, Florida, has established by Ordinance the Leon County Emergency Medical Services Municipal Service Taxing Unit for the purpose of providing emergency medical services (as such term is defined therein), facilities and equipment to persons in the City and the County.

(B) In order to provide such services, facilities and equipment throughout the entire County, the effectiveness of the County Ordinance establishing the Leon County Emergency Medical Services Municipal Service Taxing Unit is expressly subject to consent thereto by an ordinance adopted by the City Commission.

(C) The City of Tallahassee hereby determines that the inclusion of all of the incorporated area within the boundaries of the City of Tallahassee in the Leon County Emergency Medical Services Municipal Service Taxing Unit is in the best interests of the citizens and residents of the City.

**SECTION 2. CONSENT.** The City Commission hereby consents to the inclusion of all of the incorporated area of the City of Tallahassee in the Leon County Emergency Medical Services Municipal Service Taxing Unit established pursuant to Leon County Ordinance No. \_\_\_\_\_. Such consent shall become effective immediately upon adoption of this Ordinance. Provided, however, such consent shall be subject to the termination provisions in Section 3 hereof.

**SECTION 3. LIMITATION OF THE LEVY OF AD VALOREM TAXES;  
TERMINATION OF CONSENT.**

(A) It is acknowledged that Leon County Ordinance No. 03-15 has limited the levy of additional ad valorem taxes to a millage rate not to exceed (one-half) 2-mill on real and personal property within the Leon County Emergency Medical Services Municipal Service Taxing Unit.

(B) The consent herein provided shall be subject to the Leon County Board of Commissioners not authorizing a millage rate exceeding a (one-half) 2-mill millage cap for the Emergency Medical Services Municipal Service Taxing Unit.

(C) The City has previously consented to inclusion of the incorporated area of the City in the Leon County Primary Health Care Municipal Service Taxing Unit, where the County has imposed a millage rate not exceeding (one-half) 1/2-mill on real and personal property within the Leon County Primary Health Care Municipal Service Taxing Unit.

(D) In the event the millage rate imposed by the City ever reaches (nine) 9 mills, the City Commission shall be entitled to terminate any consent provided herein by the adoption of a subsequent ordinance withdrawing such consent prior to May 31 for any ensuing fiscal year.

(E) The consent and authorization for inclusion of the incorporated area of the City within the Emergency Medical Services Municipal Service Taxing Unit shall be for a term of \_\_\_\_ years, ending on September 30, \_\_\_\_\_.

(F) The consent provided herein may be terminated by the adoption of a subsequent ordinance withdrawing such consent, with written notice to the Board of County Commissioners of Leon County provided not less than 18 months prior to the effective date of such termination; provided however that no termination of consent shall be effective during such time that the City of Tallahassee is under a contract with the Board of County Commissioners of Leon County to provide emergency medical services.



**SECTION 4. SEVERABILITY.**

The provisions of this Ordinance are severable; and, if any section, subsection, sentence, clause or provision is held invalid by any court of competent jurisdiction, the remaining provisions of this Ordinance shall not be affected thereby.

**SECTION 5. EFFECTIVE DATE.**

This Ordinance shall take effect immediately upon adoption.

PASSED AND ADOPTED by the City Commission of the City of Tallahassee, Florida on this \_\_\_\_ day of \_\_\_\_\_ 2003.

**CITY OF TALLAHASSEE, FLORIDA**

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Treasurer-Clerk

Approved as to form and legality:

\_\_\_\_\_  
City Attorney

## Financial Implementation Plan - Revised ALS / Transport Contract

1. Up front payment – Put into trust with constraints and parameters for when the city could draw down on fund. Amount would be annual operating costs, because initial capital would be paid for in first year. This may be handled through bond rather than cash.
2. Additional expenditure increases per City (vs. preliminary Consultant report): Insurance \$250,000, Communications \$80,000 (position), Audit \$25,000, Senior Pay for Paramedics \$150,000 to \$300,000 (or more), Recruitment \$0. Total increase could be as much as \$630,000.
3. Vehicle Ownership – The consultant's report showed capital paid over the first 2 years at \$1.150 million per year. This was done to try and keep level payments over the first five years. To address the additional expenditures identified in #2 the debt would be financed over 5 years (\$2.3 @ 3.5% for 5 years = \$509k). The county would provide full amount for vehicles in the first year (\$2.3 million). The city would own and there would be a provision to turn over to the county should the city no longer provide this service.
4. The additional expenditures identified in #2 above and the financing outlined in #3 make the third year subsidy close to or over the 0.5 mill cap depending on ad valorem growth.
5. The budget process would be as follows: city submits budget on April 1; county approves on June 1. There would be an annual true-up done on November 30. Salaries and capital would be agreed to in the budget, so there would be no true-up on these line items. Automatic re-openers would be for fuel costs, medical technology requirements, federal and state requirements. All other line items ( including O.T.) would be eligible for true-up – anything greater than 2 or 3% would have to be justified. Quarterly budget to actual reports would indicate any problem areas and discussion would begin on cause and solutions.
6. Based on #5, the County should evaluate establishing a budgeted reserve to address potential mid-year cost increases and true-ups.
7. Surpluses would be split – 50% to rate stabilization; 25% bonus to employees; 25% to city for labor rate stabilization.
8. Need to tie down when response time penalties kick in – 12 months or 25 months. Seems to be conflicting language in report.
9. Chairman's Addition: "Any expense item of \$10,000 or greater under the City's proposed full cost recovery/true up provision shall be approved by the County Administrator. Should such item be denied by the County Administrator, the City may appeal the decision to the Leon County Board of County Commissioners at its next regularly scheduled meeting. The \$10,000 expense item threshold may be periodically modified, as appropriate, at the discretion of the County Administrator. Further, expense items for salary increases of EMS or fire personnel engaged in EMS shall be limited to the salary increases of the City's Career Service employees."